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Additional friction costs for schools arising from qualification reform

Qualification reforms require schools to make significant changes to curriculum planning, assessment systems, staff training, reporting processes, timetabling, and operational practices. While the educational benefits of reform are often the primary focus of policy discussions, implementation creates substantial additional costs that schools must absorb while continuing to deliver normal teaching and learning programmes.

This analysis estimates the additional friction costs associated with implementing qualification reform across New Zealand secondary schools. The modelling focuses on relief teacher costs, leadership and implementation time, and learning resource costs, while recognising that several important categories of cost remain unquantified. As a result, the estimates presented here should be interpreted as conservative baseline estimates rather than the full cost of implementation.

The findings indicate that reform implementation is likely to generate between **\$49.2 million and \$57.8 million** in additional costs nationally. While large schools incur the largest costs in absolute dollar terms, smaller schools face the greatest burden relative to their available resources.

This raises important equity considerations for future funding and implementation arrangements.

National cost impact

What is included in the modelling?

The estimated implementation costs reflect a defined set of activities that schools are expected to undertake as part of qualification reform implementation. The model includes the cost of teacher release time required for planning, implementation and curriculum-related activities, leadership time associated with managing the transition, and the purchase or replacement of learning resources and digital licences. Relief teacher coverage is a major component of the modelling and

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accounts for the largest share of quantified costs across all school types. Principal and senior leadership time has also been included to reflect the additional workload associated with planning, coordination, policy updates, communication, and implementation oversight. Student resource costs, including textbooks and digital licences, have been incorporated on a per-student basis.

Implementation costs increase with school size because larger schools employ more staff, require more relief teacher coverage, and need to provide resources to larger student populations. As a result, the model estimates implementation costs of approximately \$28,900 to \$34,400 per micro or small school, \$102,300 to \$120,600 per medium-sized school, and \$222,400 to \$260,200 per large school. These estimates represent the direct costs associated with the activities included in the model.

Importantly, the estimates should be interpreted as a conservative baseline because a number of potentially significant implementation costs have not been quantified. The model does not include broader curriculum redevelopment beyond the specified planning assumptions, teacher training beyond the estimated release requirements, change management activities, administrative system changes, information technology upgrades, data migration, backfill for non-teaching staff, travel, community engagement, or the wider opportunity costs associated with diverting staff attention from business-as-usual activities. Consequently, the model is best viewed as estimating the minimum likely implementation cost rather than the total cost schools may ultimately incur.

Table 1: Included in the modelling

Included Cost Components	Basis of Estimate
Relief teacher coverage	Teacher release days required for implementation activities
Principal and leadership time	Hours required for planning, coordination, and implementation oversight
Learning resources	Textbooks, resource replacement, and digital licences
School implementation activities	Planning, policy updates, assessment and curriculum implementation activities
Student resource costs	Per-student resource assumptions

Not all costs have been quantified in the model. Table 2 lists the costs that have not been included.

Table 2: Costs not included in the modelling

Unquantified cost components
Additional teacher professional learning and development
Wider curriculum redevelopment and redesign
Change management and stakeholder engagement
Administration and reporting system changes
Information technology upgrades and support
Data migration and systems integration
Backfill for administrative and support staff
Travel and regional implementation costs
Opportunity costs associated with diverted staff time

This distinction is important because the estimated \$49.2 million to \$57.8 million national cost should be interpreted as the cost of the activities explicitly included in the model, rather than a comprehensive estimate of the full implementation burden facing schools.

Impact by school size

Table 3 presents estimated implementation costs under low-cost and high-cost scenarios for small, medium, and large secondary schools. The modelling recognises that the scale of implementation activity may vary between schools and therefore provides a range of likely costs rather than a single point estimate. The estimates demonstrate that implementation costs increase with school size in absolute terms due to larger staffing and student populations. However, because many implementation activities are fixed in nature, the proportional burden of reform falls most heavily on smaller schools, raising important equity considerations for the design of implementation funding.

Table 3: Estimated implementation costs by school size

School size	Number of schools	Low cost per school	High cost per school	Aggregate low cost (\$m)	Aggregate high cost (\$m)
Small	242	\$28,900	\$34,400	\$7.0	\$8.3
Medium	102	\$102,300	\$120,600	\$10.4	\$12.3
Large	143	\$222,400	\$260,200	\$31.8	\$37.2
Total	487			49.2	57.8

Source: BERL

The analysis highlights that qualification reform will impose additional costs on schools of all sizes. While the scale of costs varies, every school will need to commit additional resources to curriculum redesign, assessment redevelopment, planning, professional learning, implementation management, and the transition to new qualification requirements.

Table 3 presents estimated implementation costs under both low-cost and high-cost scenarios, recognising that schools may experience different levels of implementation effort depending on their circumstances. The estimates demonstrate that costs increase with school size in absolute dollar terms due to larger staffing and student populations. However, the overall implementation burden is also likely to be influenced by factors beyond school size, including whether a school is located in a rural area and the socio-economic characteristics of its student population. Schools serving higher Equity Index communities, or operating in more isolated locations, may face additional implementation challenges relating to staffing, access to professional learning, relief teacher availability, specialist subject provision, and the capacity to absorb change alongside existing educational needs. These factors suggest that the impact of qualification reform will not be uniform across the sector, and that both school size and school context need to be considered when assessing implementation support requirements.

Equity impacts across schools

We analysed the annual reports of four schools across New Zealand to determine the actual cost impact of the estimated implementation costs. The table below presents the results from the analysis.

Table 4: Estimated implementation cost as a share of operating expenditure

School type	Indicative roll	Low cost per school	High cost per school	Low cost as percent of operating expenditure	High cost as percent of operating expenditure
Micro school	<100 students	\$28,900	\$34,400	1.13 percent	1.35 percent
Small school	~100–200 students	\$28,900	\$34,400	0.8 percent	1.0 percent
Medium school	~700–900 students	\$102,300	\$120,600	0.7 percent	0.9 percent
Large school	~4,000 students	\$222,400	\$260,000	0.47 percent	0.55 percent

Source: BERL, Annual reports of specific schools

The modelling indicates that implementation costs are largely driven by activities that are fixed in nature, including curriculum redesign, staff planning, professional development, assessment redevelopment, policy updates, and implementation management. Because many of these activities must occur regardless of school size, the costs do not scale proportionately with student numbers. As a result, smaller schools face a substantially greater burden relative to their available resources.

The difference between micro and large schools is particularly notable. While a large school may incur implementation costs almost eight times higher in dollar terms, a micro school is likely to face a burden that is more than twice as large when measured as a share of operating expenditure. This suggests that implementation funding based solely on student numbers may not fully recognise the fixed costs schools face when implementing qualification reform.

Implementation costs are regressive. Estimated reform costs range from 0.47 percent-0.55 percent of operating expenditure in large schools, to 1.13 percent-1.35 percent in micro schools. This means that the smallest schools face the greatest financial pressure, relative to their available resources.

Conclusion

The modelling indicates that qualification reform is likely to impose a significant implementation burden on New Zealand secondary schools, with quantified costs estimated at between \$49.2 million and \$57.8 million nationally. These estimates represent the direct costs associated with teacher release time, leadership and implementation activities, planning, assessment redevelopment, and learning resources. As a number of potentially significant costs remain unquantified, the findings should be interpreted as a conservative estimate of the likely implementation burden.

The analysis demonstrates that all schools will face additional costs as a result of reform implementation, regardless of size. Every school will be required to invest staff time and resources in planning, curriculum redesign, assessment changes, professional learning, policy development, and implementation management. While implementation costs increase with school size in absolute dollar terms, the burden of these costs is not determined by school size alone. School context also matters. Rural schools may face additional challenges associated with staffing constraints, access to professional learning, and relief teacher availability. Schools serving higher Equity Index communities may face greater implementation pressures.

The modelling suggests that many implementation activities are fixed in nature and must be undertaken regardless of student numbers. Consequently, smaller schools have less ability to spread these costs across large rolls or budgets. At the same time, larger schools face substantial implementation workloads due to the scale and complexity of their operations. The result is that qualification reform creates meaningful additional costs across the entire schooling system, but the nature and intensity of that burden will vary according to school size, location, staffing capacity, and student need.

These findings have important implications for implementation funding. While funding allocations are informed by a range of factors, implementation requirements are not driven solely by student numbers. Many reform-related activities, including programme redesign, curriculum mapping, assessment redevelopment, staff release, professional learning, and implementation management, create costs that arise at the school level regardless of roll size. Schools in rural areas and those serving communities with higher levels of educational need may also face additional constraints related to staffing, specialist capacity, and access to relief cover. As a result, implementation support may need to take account of both school scale and school context to ensure schools have sufficient capacity to undertake reform requirements while maintaining teaching and learning quality.

Ultimately, successful implementation of qualification reform will depend not only on the quality of the policy design, but also on the extent to which schools are supported through the transition. If implementation support does not adequately reflect differences in school circumstances, there is a risk that implementation pressures will be experienced unevenly across the sector. This risk is likely to be more pronounced for smaller schools, rural schools, and schools serving communities with

higher levels of learner need, where existing capacity to absorb additional demands may already be constrained.